

DOCKET FILE COPY ORIGINAL  
RECEIVED

JUL - 6 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

|                                   |   |                     |
|-----------------------------------|---|---------------------|
| In the Matter of                  | ) |                     |
|                                   | ) |                     |
| Performance Measurements and      | ) |                     |
| Reporting Requirements            | ) | CC Docket No. 98-56 |
| for Operations Support Systems,   | ) | RM-910-1            |
| Interconnection, and Operator     | ) |                     |
| Services and Directory Assistance | ) |                     |
|                                   | ) |                     |

REPLY COMMENTS OF THE ASSOCIATION FOR  
LOCAL TELECOMMUNICATIONS SERVICES

Richard J. Metzger  
Emily M. Williams  
Association for Local  
Telecommunications Services  
888 17th Street, N.W., Suite 900  
Washington, D.C. 20036  
(202) 969-2583

July 6, 1998

No. of Copies rec'd  
by ACDE

044

### SUMMARY

The overriding policy consideration for the Commission in considering its current OSS NPRM is speed. Model performance measurements will not help advance competition by deterring discrimination until they are placed in effect. Consequently, the sooner the Commission blesses its Model rules, the sooner the states, the Commission, and the United States Department of Justice can move towards a common view of performance measurements and standards.

Nor should there be any concern about an alleged "burden" on the ILECs as a result of the Model rules. Ameritech predicts only a modest 6.5% increase in its performance measurements budget as a result of the Model rules, and BellSouth declines even to quantify a cost. More fundamentally, of course, all the ILECs are effectively required to start measuring their wholesale and retail performance as they move to a competitive environment.

Concerning specific performance measurements, it is apparent additional disaggregation is needed to insure reliable comparisons, as SBC acknowledges in its agreement with the Department of Justice. In particular, disaggregation of data loops, and measurement of the manual processes involving in supporting data services, will prove essential in assuring robust competition for these important services.

***ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56***

Finally, the Commission needs to adopt a common statistical test with the ultimate goal of linking that test to concrete, incident-based penalties. Until the time when the Commission adopts such automatic penalties, it should rule that carriers seeking interconnection agreements have the right under section 251(c)(1) to engage in bona fide negotiations over the use of such a test as the basis for enforcement provisions in their individual interconnection agreements.

## TABLE OF CONTENTS

## Page

|      |  |    |
|------|--|----|
| I.   | THE INITIAL COMMENTS CONFIRM THAT CERTAIN<br>MODIFICATIONS TO THE PROPOSED MEASUREMENTS<br>ARE NECESSARY AND APPROPRIATE .....   | 1  |
| A.   | The Commission Should Adopt the Department<br>of Justice's Proposed Measurements for<br>Trunk Blocking, Provisioning and Maintenance .....   | 2  |
| B.   | Manual Interfaces Need to Be<br>Included In Performance Measurements .....   | 7  |
| C.   | Several of the ILECs' Proposed Modifications<br>to the Model Rules Are Counter-Productive .....  | 11 |
|      | 1) Jeopardy Notices .....  | 11 |
|      | 2) Order Completion Measurements .....   | 11 |
|      | 3) Coordinated Customer Conversions .....  | 12 |
|      | 4) CLEC CSR Access .....   | 13 |
| II.  | THE PROPOSED MEASUREMENTS NEED ADDITIONAL<br>DISAGGREGATION TO INSURE THEIR USEFULNESS .....   | 13 |
| III. | ADDITIONAL COMPARATIVE ILEC<br>MEASUREMENTS ARE REQUIRED .....   | 17 |
| IV.  | THE PROPOSED REPORTING REQUIREMENTS -- INCLUDING<br>THE ADDITIONAL ITEMS AND DIMENSIONS REQUESTED<br>BY ALTS -- ARE NOT BURDENSOME TO THE ILECS .....  | 19 |
| V.   | ILECS SHOULD BE REQUIRED TO APPLY A COMMON<br>STATISTICAL TEST TO THEIR MEASUREMENT RESULTS .....  | 20 |
| VI.  | THE ILECS' CLAIM THAT THE <u>IOWA UTILITIES</u><br><u>ORDER</u> SOMEHOW ARGUES AGAINST THE ISSUANCE<br>OF MODEL RULES IS IRRELEVANT IN LIGHT OF THE<br>UPCOMING SUPREME COURT DECISION ON THIS ISSUE ..... | 23 |
|      | CONCLUSION .....   | 24 |
|      | ATTACHMENT -- INTERCONNECTION TRUNKING BURDEN<br>BORNE BY FOCAL COMMUNICATIONS   |    |

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

|                                   |   |                     |
|-----------------------------------|---|---------------------|
| In the Matter of                  | ) |                     |
|                                   | ) |                     |
| Performance Measurements and      | ) |                     |
| Reporting Requirements            | ) | CC Docket No. 98-56 |
| for Operations Support Systems,   | ) | RM-9101             |
| Interconnection, and Operator     | ) |                     |
| Services and Directory Assistance | ) |                     |
|                                   | ) |                     |

**REPLY COMMENTS OF THE ASSOCIATION FOR  
LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to the Notice of Proposed Rulemaking released April 17, 1998, in the above docket and proposed rulemaking ("OSS NPRM"), the Association for Local Telecommunications Services ("ALTS") hereby replies to comments filed on June 1, 1998, concerning the Commission's proposed "Model Rules" for performance measurements and reports by incumbent local exchange providers ("ILECs").<sup>1</sup>

**I. THE INITIAL COMMENTS CONFIRM THAT CERTAIN MODIFICATIONS TO THE PROPOSED MEASUREMENTS ARE NECESSARY AND APPROPRIATE.**

While the Commission correctly asked in the OSS NPRM for suggestions for improving its proposed performance measurements, this is certainly a situation where the search for the perfect should not be allowed to become an enemy of the good. As ALTS

---

<sup>1</sup> The date for the filing for reply comments was extended to July 6, 1998, by an Order in this docket released June 10, 1998, DA 98-1102).

**ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56**

pointed out in its initial comments, it is inevitable that the proposed performance measurements will need periodic revisions, and that actual experience will provide the best guidance as to what changes are needed. Accordingly, while ALTS here offers various suggestions for incremental improvements in the proposal, the Commission's paramount goal should be to place the model rules in effect as soon as possible, and then to revisit the rules once sufficient experience has been gained.

**A. The Commission Should Adopt the Department of Justice's Proposed Measurements for Trunk Blocking, Provisioning and Maintenance.**

On January 14, 1998, ALTS submitted an ex parte filing in this docket proposing, among other parameters, a measurement of interconnection trunk blocking (ex parte filed January 14, 1998, ALTS Service Quality Measurement Version 1.0, at 8). Since the date of that filing the United States Department of Justice has reached a high-level understanding with Southwestern Bell concerning various performance measurements, including interconnection trunk blocking (see March 6, 1997, letter from Mr. Don Russell to SBC).

ALTS hereby endorses DOJ's proposal concerning interconnection trunking measurements. DOJ's approach has at least two advantages over the OSS NPRM's proposal:

**ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56**

1) DOJ's interconnection trunking proposal captures upstream causes of trunk blocking by also measuring interconnection trunk provisioning and maintenance.

2) DOJ's interconnection trunking measurements would provide greater specifics than the OSS NPRM (i.e., they would also capture ILEC-to-ILEC measurements).

SBC supports DOJ's proposal, with the amplification that the measurements should reflect "the average percentage of trunk blockage," rather than the "percentage of trunk groups blocked" (SBC Comments at 20). ALTS has no objection to SBC's amplification, with the understanding this "allows for a comparison of the trunk blockage of the CLEC interconnection final-trunk groups to that of SBC final-trunk groups" (id.).

Ameritech supports the concept of interconnection trunk performance measurements in its comments, but argues that this parameter should be based on calls completed (i.e., percent of total calls completed to total calls placed during a 24-hour, seven day week), as opposed to the percentage of calls blocked on interconnection trunks during busy hours (Ameritech Comments at 68-69). At the heart of Ameritech's preference for overall completion rates, rather than busy hour trunk blocking, is its claim that "call completion data provides a more complete picture

*ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56*

of overall network performance and are more closely tied to the Commission's objective," while trunk blocking is intended "to assess the effectiveness of one network component (a trunk group) in supporting network engineering objectives" (Ameritech Comments at 69).

If the network architecture of ILEC-CLEC interconnection could actually be assumed to parallel an ILEC's internal trunking architecture -- i.e., if there were no differing economic incentives at the ILEC-CLEC interface as compared to internal ILEC interfaces -- then Ameritech's point might be well taken. But there is no reason to assume that ILECs are as motivated to assure the completion of calls to CLEC end users as they are for their own end users when they plan and engineer such facilities. Accordingly, it is the trunk blocking reports that provide the most useful information because they most readily detect the failure of an ILEC to conform to its own internal engineering objectives.<sup>2</sup>

Ameritech goes on to raise several specific objections to a trunk blocking measurement: (1) CLEC busy hours are supposedly not predictable (Ameritech Comments at 74); (2) trunk blocking

---

<sup>2</sup> BellSouth states that it lacks the Link Monitoring System ("LMS") that would permit it to measure call completion rates (BellSouth Comments at 30).



***ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56***

does not capture the volume of calls being blocked (id. at 71); (3) properly engineered final trunk groups should necessarily block traffic at some level (id. at 72); (4) trunk blocking measurements do not capture the effects of re-routing (id. at 73); and (5) some trunk blockage may be caused by a CLEC (id. at 74). Each of these claims is unavailing:

1) End users do not shift their calling patterns (i.e., their busy hour) when they move to CLEC service. Furthermore, busy hour calculations have long reflected the different calling patterns for business and residential customers. Because the ILEC is fully aware of the calling patterns of these customer groups (having served them for over a hundred years), there is nothing mysterious or difficult about determining the correct busy hour for ILEC-CLEC interconnection trunking.

2) Of course trunk blocking measurements do not capture the absolute number of calls being blocked (though the assumptions used in calculating the trunk size should permit assumptions about the number of blocked calls). Similarly, it is axiomatic that properly designed trunk groups should block at some point in time. But neither of these truisms contradicts the essential value of a trunk blocking measurement: it permits comparison to an ILEC's internal engineering practices.

3) Re-routing among trunk groups is not so common for CLEC-ILEC interconnection as it is for internal ILEC interconnection. To the extent that this re-routing permits ILECs to complete the same percentage of overall calls at higher trunk blocking levels (because some calls can be switched to non-blocking trunks), the higher internal blocking levels are to Ameritech's advantage in demonstrating its checklist compliance. The effects of re-routing may ultimately well prove to be a desirable refinement of DOJ's proposed trunk blocking measurements, but its absence at the present is not a basis for not proceeding with DOJ's proposal.

4) Ameritech points to three possible ways in which a CLEC could produce ILEC interconnection trunk blocking: (a) congestion within the CLEC network; (b) CLEC refusal to permit additional ILEC trunks; and (c) CLEC delivery of unforecasted traffic (Ameritech at 74). The simple answer to these claims is that no CLEC has an economic incentive to harm its own customers by sabotaging its own network simply to skew an ILEC's interconnection trunking statistics. Such a tactic would destroy the CLEC's business long before the data results could be used against the ILEC.

An example of the importance of adequate interconnection measurements is provided in Attachment A, which shows how Focal Communications has been forced in Chicago to bear an appreciable portion -- 74.5% -- of the interconnection trunks that Ameritech should be incurring just to maintain adequate service to Focal's customers. Attachment A fully demonstrates why the Commission needs to promptly institute robust measurements for interconnection trunking, as well as the right to negotiate effective enforcement provisions for such facilities in interconnection agreements, as quickly as possible.

**B. Manual Interfaces Need to Be Included In Performance Measurements.**

The OSS NPRM asserts that: "Because incumbent LECs access their systems electronically for retail purposes, we tentatively conclude that incumbent LECs need measure only the access they provide electronically to competing carriers" (at ¶ 40). With all due respect, ALTS submits that this conclusion is factually unfounded and immensely negative as a policy matter, and needs to be revisited by the Commission.

It is simply not true that all ILEC retail operations receive fully electronic support. As the Commission is well aware, the provisioning of data services such as ISDN, HDSL, and ADSL over copper loops is limited by loop length, the presence of

***ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56***

loading coils and bridge taps, and potential electromagnetic interference, depending on the system being used. No incumbent LEC currently has electronic loop records capable of providing this information in an automated fashion to either its own retail operations, or to CLECs. This means that manual interfaces have to be used for each, and that measurements of these manual functions are absolutely critical to assure non-discrimination for these important new services.

Similarly, almost all complex cut overs performed by an ILEC for its own retail units are largely manual. Whether it is implementation of digital centrex, start-up of service to mission-critical facilities, such as data centers, or simply loading new NXXs for customers, these are largely manual processes even though electronic tools are employed at numerous points. Indeed, manual functions are frequently involved in POTS provisioning where there is any question concerning whether sufficient entry facilities exist, given the general unreliability of outside plant records.

ALTS intends no criticism of the ILECs for these manual operations. Service restoral has properly taken priority over the accuracy of outside plant records for decades now. And widespread changes in service to large customers does require an attention to detail that automated systems cannot provide. What

**ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56**

is important for present purposes, however, is that the Commission should acknowledge these manual processes exist, and are most prevalent in those markets where competition should be most vigorous: advanced data services, and large, complex customers.

No ILEC contends that discrimination will not be a threat in the absence of performance measurements for these particular manual processes. Instead, they focus on CLECs' use of manual processes because of low-volumes, or lack of industry electronic standards, thereby suggesting that manual interfaces are temporary and can be safely ignored. They go on to argue that because measurements do not currently exist for these interfaces and would be difficult to implement, ILEC performance should not be obligated to comply with the law until CLECs implement "real-time electronic interfaces [that] will offer parity with GTE's ILECs' access to their own internal systems" (GTE Comments at 7).

First, the issue of whether GTE is immune from complying with the 1996 Act until CLECs implement electronic interfaces that do not yet exist is a legal question with little implication for the issue of performance measurements. As noted above, in addition to ILEC-CLEC interfaces that are manual for lack of volumes or standards, there are also important manual functions for which the ILECs lack their own electronic interfaces, far

less a standardized electronic interface for competitors.

Second, even GTE acknowledges that manual processes can be measured ("Although constant, detailed measuring of manual processes would be time-consuming and expensive, GTE believes that some meaningful measurements can be compiled for CLECs using manual processes;" GTE Comments at 6). GTE's acknowledgment is not surprising in light of the ILECs' own claims that they can accurately measure manual processes involved in their regulated entities' provisioning of unregulated services via Part 64.

In light of the importance and feasibility of measuring at least the most important of manual processes -- processes that should already be implicit in measuring such parameters as data loop provisioning -- ALTS respectfully asks the Commission to take further action to identify those manual processes that are so critical to CLECs that measurements are plainly needed to detect discrimination, along with appropriate measurement techniques that will minimize any burden involved.

**C. Several of the ILECs' Proposed Modifications to the Model Rules Are Counter-Productive.**

The ILECs in their comments suggest several changes to the model rules that the Commission should reject.

1) **Jeopardy Notices** - Several ILECs, most noticeably BellSouth, propose eliminating the requirement in the model rules that they measure the time and frequency with which they provide jeopardy notices to themselves (BellSouth Comments at 12-13). According to BellSouth, these notices "are issued on an ad hoc basis to signal a need to focus on the order. Issuance of an order jeopardy is not synonymous with a likelihood that the order will not be filled on time" (BellSouth Comments at 12).

The ILECs do not contend that jeopardy notices provide a legitimate provisioning function (nor could they, given their widespread use of such notices). Instead, they claim "Standard definitions of whether and when to issue jeopardies do not exist" (*id.*). But the value of such notices is demonstrated by the ILECs' reliance upon them; the absence of standards for issuance simply underscores the need to measure their relative issuance rate to insure non-discrimination as to CLECs.

2) **Order Completion Measurements** -- Several ILECs, including SBC, propose altering the end of the order completion measurement from "time completed order is returned to the CLEC" to "the end user customer's experience" (SBC Comments at 7). According to SBC "It is more meaningful to measure the experience for the end user than it is to measure when administrative notifications are complete" (*id.*). But SBC cannot explain why the "end user"

**ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56**

experience should mark a different time than CLEC notification -- given the CLEC's obvious incentive to let an end user know as quickly as possible that an order has been successfully completed -- unless SBC proposes to assume instant awareness of service changes by end users by themselves (highly unlikely), or intends to inform the end user itself (highly improper). Accordingly, there is no need to change this proposed measurement.

3) **Coordinated Customer Conversions** -- The ILECs argue against adoption of a measurement for coordinated customer conversion, claiming no retail analog exists, and that "trying to measure the actual outage time is difficult, labor-intensive, and not necessarily meaningful" because no mechanized tracking system exists, and multiple carriers are involved (see, e.g., SBC at 9). These protests are unavailing. The substantial efforts made by the ILECs to measure manual processes when they involve ILEC provisioning of unregulated services pursuant to Part 64 amply demonstrate that there is no unsurmountable burden involved. Furthermore, the other carrier involved -- the CLEC -- has every incentive to insure that its participation does not hamper the cut over. Finally, even if the ILECs were correct about the absence of an ILEC analog (and ALTS continues to insist that appropriate comparisons can and should be created), the generation of this data would provide invaluable bench marking



among various ILECs. Accordingly, the proposed measurement should be kept.

4) CLEC CSR Access - From out of left field, Ameritech proposes that the Commission should require CLECs to provide incumbent LECs with access to CLEC Customer Service Records ("CSRs"; Ameritech Comments at 21). But the many issues involving access to Customer Proprietary Information are currently under consideration in another docket: In the Matter of Telecommunications Carriers' Use of Customer Proprietary Network Information and Other customer Information and Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as Amended, CC Docket Nos. 96-115 and 96-149, Second Report and Order and Further Notice of Proposed Rulemaking (FCC 98-27, released February 26, 1998) ("CPNI Second Report and Order"). Inasmuch as Ameritech's petition for reconsideration in that docket raises claims similar to those it presents here, any imposition of CSR disclosure on CLECs should be addressed in that proceeding.

**II. THE PROPOSED MEASUREMENTS NEED ADDITIONAL DISAGGREGATION TO INSURE THEIR USEFULNESS.**

The initial comments confirm that insufficiently disaggregated measurements would permit the concealment of discrimination against CLECs. See AT&T Comments at 17-45; MCI

*ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56*

Comments at 8-16. This need is also demonstrated, however unintentionally, by Ameritech's extended discussion of the application of statistical tests to performance data. For example, Ameritech points to the possibility that service restoral might take seven hours on a weekend for both ILEC and CLEC customers, and four hours for each during the weekend. If CLEC customers report outages more frequently on weekends than on weekdays, Ameritech correctly concludes that measurements which fail to capture this distinction will show "discrimination," even though the underlying service is equivalent (Ameritech Comments at 90-91).

Ameritech's argument is nothing more than the flip-side of the CLECs' own concern: the level of data disaggregation must be chosen correctly if misleading results are to be avoided for either CLECs or ILECs. The need here, of course, is for Ameritech to move from its hypothetical concerns, and instead point out real-world situations where additional disaggregation is needed to protect the ILECs' as well as the CLECs' interest in meaningful data.

The comments filed by AT&T and MCI correctly demonstrate that disaggregation considerations occupy four basic categories: geographic, volume, service type, and work activity:

1) Geographic: Measurements should be geographically disaggregated to at least the same level as employed by the ILEC itself, and smaller areas, where appropriate. As SBC explains: "For those processes that are managed at a smaller geographic level [than statewide] -- such as, provisioning -- the results should be produced at lower geographic levels. Within SBC, this is usually done by region or market area. Producing these reports at the region or market area will permit evaluation of the variances that may occur due to regional uniqueness" (SBC Comments at 3). Similarly, see BellSouth Comments at 16: "If CLECs wish to disaggregate data beyond the state or regional level, they can do so ...."

2) Volume: Volume disaggregation should be mandated to at least the extent accepted by BA-NY in New York (Canny Sup. Aff. Filed November 3, 1997, Ex. 2).

3) Service Type: The UNE loop measurements need to be subdivided into at least five major types:

- analog
- 2 wire digital
- 4 wire digital
- ADSL
- HDSL

SBC has already agreed with DOJ to divide loops into analog and digital groupings (SBC Comments at 6). However, the kinds of data loops needed are more complex than this indicates. For example, HDSL requires 4-wire digital loops qualified up to 12,000 feet, while SDSL, which provides a comparable data rate, operates over 2-wire digital loop qualified up to 11,000 feet. ADSL itself is not a single technology, but an umbrella term for various approaches using different loop requirements, depending on the particular implementation involved.<sup>3</sup> Accordingly, the above five categories should be viewed as a minimal disaggregation that may well need to be increased in the future.

ALTS also supports the phased-in implementation of additional service disaggregations proposed by AT&T in its Attachment C.

**4) Work Activities** - Even within a specific category, measurements can vary widely depending on the work activity required, particularly if the need for a tech dispatch is triggered. Minimal provisioning disaggregation should include:

- outside dispatch
- inside dispatch

---

<sup>3</sup> See The DSL Source Book: Plain Answers About Digital Subscriber Line Opportunities, Paradyne, 1998, at 17-23.

*ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56*

- software activities
- disconnects
- administrative

In recommending this level of disaggregation, ALTS also agrees with SBC and BellSouth that disaggregation is not necessary for those particular work functions where discrimination is not feasible (see, e.g., BellSouth at 14, discussing OS and DA services: "BellSouth switches cannot distinguish between whether the call is from a CLEC or BellSouth end user, thus discrimination is not possible"). While ALTS agrees the ILECs should be relieved of their disaggregation obligation under such circumstances, they should bear the burden of first showing that discrimination is, in fact, impossible. Accordingly, a broad work activity disaggregation obligation should be adopted along with an appropriate waiver mechanism for particular measurement where certain reporting dimensions are unnecessary because of the manner in which they are provisioned.

**III. ADDITIONAL COMPARATIVE ILEC MEASUREMENTS ARE REQUIRED.**

In its OSS NPRM, the Commission proposes requiring ILECs to perform various measurements concerning functions they provision to themselves: " ... whether or not they have done so previously, in order to provide a basis for comparison with the average intervals for competing carriers" (OSS NPRM at ¶ 59). Bell

*ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56*

Atlantic takes issue with this requirement, claiming that "Where there are processes or services for CLECs that have no retail analog, the parties should negotiate a reasonable standard that provides the CLEC with a 'meaningful opportunity to compete,' not try to invent non-existent functions and measures" (Bell Atlantic Comments at 8).

This is inconsistent with the Commission's holding in its Michigan Section 271 Order (Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services In Michigan, Memorandum Opinion and Order, adopted August 19, 1997; CC Docket No. 97-137). BellSouth's petition for reconsideration of the Michigan Section 271 Order raises the same arguments as here concerning the alleged non-comparability of ILEC to CLEC functions (Petition for Reconsideration at 2-6). Ameritech raises similar claims, but offers to measure ILEC performance through "[c]ommercial software ... that allows one to stimulate the performance of an electronic system using sample transactions" (Ameritech Comments at 24).

ALTS has no objection to a software modeling of ILEC self-provisioning that actually produces accurate information, but Ameritech should first demonstrate the accuracy of such a system. The Commission should follow its precedent created in the

Michigan Section 271 Order, and require that analogous ILEC functions be measured by the ILECs.

**IV. THE PROPOSED REPORTING REQUIREMENTS -- INCLUDING THE ADDITIONAL ITEMS AND DIMENSIONS REQUESTED BY ALTS -- ARE NOT BURDENSOME TO THE ILECS.**

Bell Atlantic complains that the OSS NPRM's proposed performance measurements will cost it \$3.5M incrementally, barely .01% of its annual revenues (Bell Atlantic Comments at 7-8). Furthermore, the improvement in Bell Atlantic's ability to demonstrate its legal compliance created by the new performance measurements should enable it to save a considerable portion of the legal expenses it currently incurs in fighting the implementation of the 1996 Act at every opportunity. Similarly, Ameritech estimates it will incur only a 6.25% increase in its annual budget for performance measurements (Ameritech Comments at 16), and BellSouth declines even to quantify any expense involved (BellSouth Comments at 6-9).

Rather than set forth the facts about the costs of compliance, BellSouth instead claims there is no factual basis for requiring performance measurements other than "anecdotal" evidence (BellSouth Comments at 6). Thus, under BellSouth's "Catch 22" view of the world, the Commission's decision to require hard data on discrimination cannot be made unless that hard data already exists. BellSouth also tries to dismantle the

**ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56**

"parity" requirement created in the Local Competition Order, and reaffirmed in various Section 271 orders (BellSouth Comments at 8). At bottom, this is simply a poorly concealed effort to seek reconsideration concerning the applicable legal standard, not the need for performance data.

ALTS demonstrated in its initial comments that the ILECs incur no appreciable burden in measuring their performance for both wholesale and retail customers, because analogous measurements are critical business management tools for all competitive companies. To the extent that instituting such measurements is simply part of the changes the ILECs must make in order to survive in a competitive world, there is no burden imposed upon them whatsoever.

**V. ILECS SHOULD BE REQUIRED TO APPLY A COMMON STATISTICAL TEST TO THEIR MEASUREMENT RESULTS.**

The ability to benchmark ILECs concerning their parity performance is one of the most powerful, and institutionally simple, advantages conferred by performance measurements. While ALTS agrees that the necessary on-going refinement of measurements and statistical tests means that any single test result cannot be given full application without first affording affected parties the opportunity to show that statistical anomalies may be involved, the possibility that certain



*ALTS Reply Comments - July 6, 1998 - CC Docket No. 98-56*

statistical results might need refined reexamination does not argue against the application of a common statistical test.

Indeed, use of a common test will trigger refinements more quickly, and thus create a robust bench marking tool all the sooner. ILEC arguments opposing a single statistical test are insubstantial (see Bell Atlantic at 8-9: "Because the performance measurements produced by individual carriers will almost certainly vary from the Commission's proposed measurements, the Commission should not prescribe methods for data analysis"). Inconsistent and incomparable measurements may well be Bell Atlantic's goal, but that result is by no means certain, particularly given SBC's agreement with DOJ on performance measurements, an agreement that could well be overlaid on three former RBOCs if it is applied to SBC's proposed merger with Ameritech. Nor is certain that minor differences would necessarily disable bench marking using a single statistical test.

Bench marking could well be seriously compromised if ILECs were permitted to employ individualized tests of parity compliance. "Bad actors" would find it easy to conceal their non-compliance behind confusing debates over statistical subtleties. The Commission thus needs to adopt a test that is clearly defined. AT&T's modified LCUG proposal provides the most robust definition, though MCI's proposal is also acceptable from